

Conference Center-Design -- No. 789593

Category **General Government**
 Agency **Economic Development**
 Planning Area **North Bethesda-Garrett Park**
 Relocation Impact **None**

Date Last Modified
 Previous PDF Page Number
 Required Adequate Public Facility

May 24, 2004
7-172(02 App)
NO

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY03	Est. FY04	Total 6 Years	FY05	FY06	FY07	FY08	FY09	FY10	Beyond 6 Years
Planning, Design and Supervision	3,159	3,118	41	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	55	0	0	55	55	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	3,214	3,118	41	55	55	0	0	0	0	0	0

FUNDING SCHEDULE (\$000)

PAYGO	554	554	0	0	0	0	0	0	0	0	0
G.O. Bonds	0	0	0	0	0	0	0	0	0	0	0
Contributions	70	70	0	0	0	0	0	0	0	0	0
Current Revenue:											
General	2,085	2,044	41	0	0	0	0	0	0	0	0
State Aid	505	450	0	55	55	0	0	0	0	0	0

ANNUAL OPERATING BUDGET IMPACT (\$000)

DESCRIPTION

The project, once completed, will consist of a 100,000 gross square foot Conference Center which will include: a grand ballroom, breakout rooms, classrooms, meeting rooms, and board room. Remaining square footage is allocated to additional features including pre-function space, offices, public circulation, food and beverage facilities, and utilities. A hotel adjacent to the Conference Center will be privately developed. Adjacent parking of approximately 725 spaces will be provided. This will be the largest conference center in Montgomery County. Such a facility will provide meeting and conference space for events which currently cannot be accommodated in the County and provide a unique resource to the County's technology companies, Federal agencies, and residents. The Department of Economic Development will oversee this project and has contracted with the Maryland Stadium Authority, in accordance with Article 11B-42(c) of the County Code and applicable Maryland State law, to undertake all necessary tasks. A business plan for the project, including capital and operating projections based on the selected site, was completed in FY96.

The project broke ground on February 1, 2003 and is projected to be completed in November 2004. Funds for construction are in the Montgomery County Revenue Authority Conference Center project No. 977373. The Division of Capital Development of the Department of Public Works and Transportation oversees the construction on behalf of the County. The Department of Economic Development oversees community affairs, pre-opening expenses, and partner relations activities. The facility is being marketed to the public and businesses have already been booked. A pre-opening sales office has been established two blocks from the site, an expense which is being paid for from the Conference Center Non-Departmental Account and private sector funds.

JUSTIFICATION

A FY94 needs assessment and preliminary market analysis completed for the Conference and Visitors Bureau, in conjunction with the Department of Economic Development, supported the market feasibility of the proposed facility. Funds were initially used for market analysis studies, which showed a positive return from the project to the County and the State following the second year of stabilized operations. The majority of the funds were used to support the necessary architectural, engineering and interior design plans needed to construct the building. All required land use and construction permits have been obtained.

FISCAL NOTE

The Maryland Stadium Authority is responsible for financing the State's interest in the facility (50 percent), estimated at \$20.3 million. The Montgomery County Revenue Authority will issue bonds to finance the County's remaining cost of the construction of the facility for \$11.7 million. The Montgomery County Revenue Authority has issued bonds and engaged in related financing activities to acquire the site and construct the WMATA temporary parking lot. These expenditures are displayed in the Conference Center project. The County has entered into a lease agreement with the Revenue Authority for the land and will subsequently enter into a lease agreement for the County's 50 percent interest in the facility. Ownership of the facility will revert to the County once the State and Revenue Authority debt is retired. The business arrangements between the County, the Revenue Authority, the State, and the developer have been negotiated. Included is a provision for private sector payment to the County for the portion of land assigned to the hotel. This revenue stream, as well as profits from the Conference Center and Room Rental and Transient Tax revenues will support the County's lease payments to the Revenue Authority.

The Mass Transit Authority of the Maryland Department of Transportation provided a \$55,000 Smart Growth grant for enhancement related to the public plaza at the intersection of Rockville Pike and Marinelli Road, a grant to be matched by the private developer.

APPROPRIATION AND EXPENDITURE DATA	COORDINATION	MAP																																																
<table> <tr> <td>Date First Appropriation</td><td>FY95</td><td>(\$000)</td></tr> <tr> <td>Initial Cost Estimate</td><td></td><td>800</td></tr> <tr> <td>First Cost Estimate</td><td></td><td></td></tr> <tr> <td>Current Scope</td><td>FY97</td><td>2,600</td></tr> <tr> <td>Last FY's Cost Estimate</td><td></td><td>3,159</td></tr> <tr> <td>Present Cost Estimate</td><td></td><td>3,214</td></tr> <tr> <td>Appropriation Request</td><td>FY05</td><td>55</td></tr> <tr> <td>Appropriation Request Est.</td><td>FY06</td><td>0</td></tr> <tr> <td>Supplemental Appropriation Request</td><td>FY04</td><td>0</td></tr> <tr> <td>Transfer</td><td></td><td>0</td></tr> <tr> <td>Cumulative Appropriation</td><td></td><td>3,159</td></tr> <tr> <td>Expenditures/Encumbrances</td><td></td><td>3,159</td></tr> <tr> <td>Unencumbered Balance</td><td></td><td>0</td></tr> <tr> <td>Partial Closeout Thru</td><td>FY02</td><td>0</td></tr> <tr> <td>New Partial Closeout</td><td>FY03</td><td>0</td></tr> <tr> <td>Total Partial Closeout</td><td></td><td>0</td></tr> </table>	Date First Appropriation	FY95	(\$000)	Initial Cost Estimate		800	First Cost Estimate			Current Scope	FY97	2,600	Last FY's Cost Estimate		3,159	Present Cost Estimate		3,214	Appropriation Request	FY05	55	Appropriation Request Est.	FY06	0	Supplemental Appropriation Request	FY04	0	Transfer		0	Cumulative Appropriation		3,159	Expenditures/Encumbrances		3,159	Unencumbered Balance		0	Partial Closeout Thru	FY02	0	New Partial Closeout	FY03	0	Total Partial Closeout		0	<p>Department of Economic Development Department of Public Works and Transportation State of Maryland, Maryland Stadium Authority Conference and Visitors Bureau Maryland-National Capital Park and Planning Commission Office of Management and Budget Department of Finance Office of Intergovernmental Relations Department of Permitting Services Office of the County Attorney Revenue Authority Conference Center Conference Center Intersection Improvements</p> <p>The requirements of the Maryland Economic Growth, Resource Protection, and Planning Act do not apply to this project.</p>	<p>See Map on Next Page</p>
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